

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

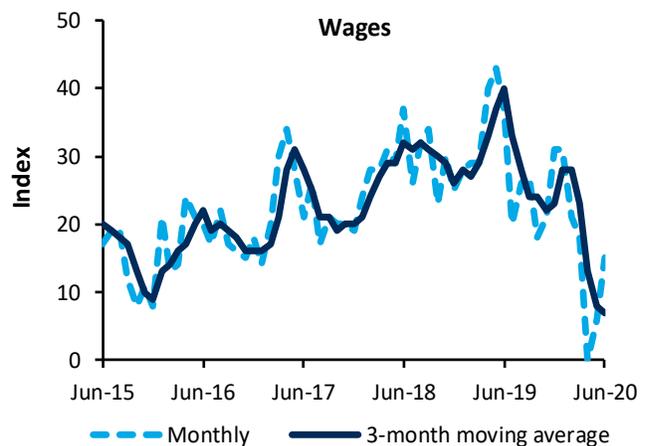
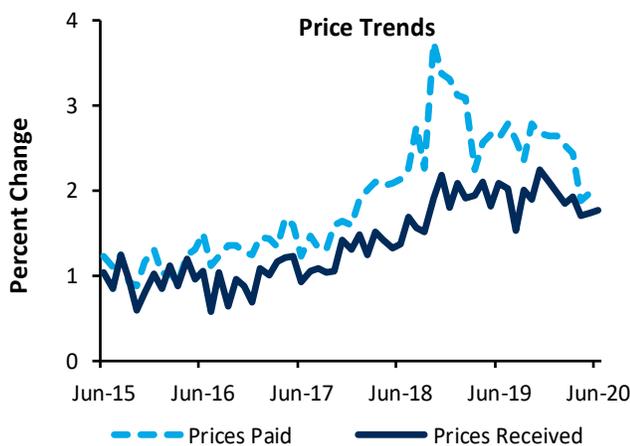
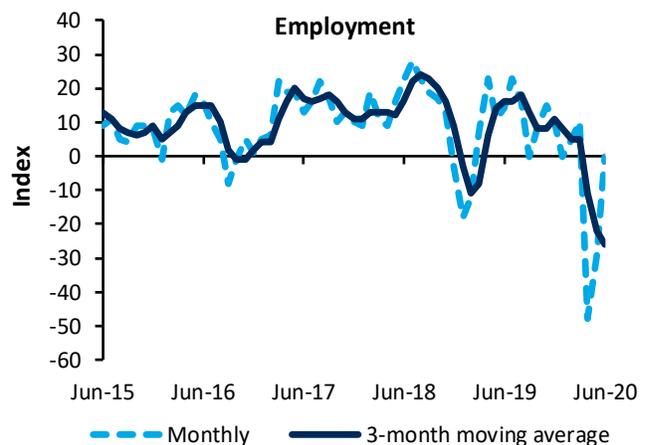
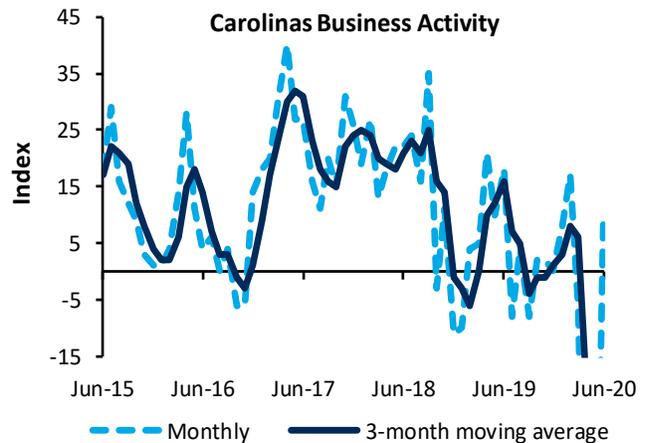
June 25, 2020

Firms Saw Improved Business Conditions in June

Firms in the Carolinas reported improved business conditions in June, according to the most recent survey from the Federal Reserve Bank of Richmond. The indexes for general business conditions and sales rose from -67 and -52 in May to 9 and 0 in June, respectively, as the index for general conditions registered its largest one-month increase on record. Spending indexes also rose from June but remained at or below 0. Firms in the Carolinas were optimistic that conditions and sales would increase in the coming months.

Survey results suggested that employment was fairly steady, overall, among firms in the Carolinas. However, some survey participants reported increases in wages and the average workweek. Firms expected employment, wages, and the average workweek to rise in the near future.

The growth rates of both prices paid and prices received by survey respondents inched up slightly in June, as growth of prices paid continued to outpace that of prices received. Firms expected the gap between the two measures of price growth to widen in the next six months.



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Business Activity Indexes^{1,4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Jun-20	May-20	Apr-20	Jun-20	May-20	Apr-20
General Business Conditions	9	-67	-82	43	10	-31
Sales	0	-52	-55	38	0	-12
Employment						
Number of Employees	0	-29	-48	30	17	-9
Availability of Skills Needed	-2	2	8	-2	0	10
Average Workweek	5	-42	-57	20	13	-9
Wages	15	6	0	17	8	6
Spending						
Business Services Expenditures	-23	-35	-37	-17	-12	-31
Total Capital Expenditures	0	-42	-35	5	38	30
Equipment or Software Expenditures	0	-27	-18	2	-12	-22
Price Trends³						
Prices Paid for Inputs	2.00	1.97	1.88	2.14	1.30	2.01
Prices Received for Outputs	1.77	1.74	1.71	1.70	1.27	1.38

Technical Notes:

- ¹ Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Data are not seasonally adjusted. Results are based on responses from 47 firms.
- ² Expectations refer to the time period six months out from the survey period.
- ³ Price changes are expressed as a percent change, annualized.
- ⁴ All firms surveyed are located within the states of North Carolina and South Carolina.

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